



DATA CENTER SALES TAX EXEMPTION PROGRAM

PURPOSE

Incentivize the location and expansion of data centers in the State of Missouri by providing an exemption, for a period of time, of the sales and utility taxes associated with a variety of activities necessary to build a new facility or expand an existing facility.

HOW THE PROGRAM WORKS

An eligible data center company (or a consortium of eligible companies) who plan to locate at a new facility or expand an existing facility apply to the State with a Notice of Intent which describes their proposed "plan". That "plan" includes the estimates of construction or rehab materials; machinery and equipment purchases; and utility costs over a designated term at the facility (no more than 10 years for an expanding facility and no more than 15 years for a new facility). The "plan" also includes the number of new jobs to be hired over the term at the facility within a required time frame.

The Department of Economic Development, in cooperation with the Department of Revenue determine the applicant's eligibility including company type (by NAICS code) and whether the company's plan will meet the statutory thresholds for program participation. The Department of Economic Development also determines if the fiscal impact of the proposed plan provides a positive net fiscal return to the State. If so, the Department offers a conditional approval. Once the thresholds have been met, the company may apply to receive a sales tax exemption certificate for each year of their benefit term. The first year may include a refund of any sales taxes paid for a period prior to meeting the thresholds.

The thresholds for participation for an expanding facility include: at least 5 new full time jobs with average wages at 150% of county average wage within 24 months and \$5 million dollars in new investment within 12 months of the conditional approval of the Notice of Intent.

The thresholds for participation for a new facility include: at least 10 new full time jobs with average wages at or above 150% of county average wage and \$25 million dollars in new investment within 36 months of the conditional approval of the Notice of Intent.

The "consortium" of eligible companies may aggregate their jobs and investment at the same facility to achieve the thresholds. Exemption certificates may be issued to multiple companies inside the same facility.

AUTHORIZATION

144.810 RSMo.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- Taxpayer(s) primarily engaged in data processing, hosting and related services (NAICS 518210); or
- Taxpayer(s) primarily engaged in internet publishing and broadcasting and web search portals at the business facility (NAICS 519130)

PROGRAM BENEFITS

Existing Facilities: An exemption on state and local sales and use taxes used for expanding operations as defined, levied, or calculated under section 32.085, sections 144.010-144.525, sections 144.600-144.761 or section 238.235 for a specified maximum amount for each year for 10 years.

New Facilities: An exemption of 100% of the state and local sales and use taxes defined, levied, or calculated under section 32.085, sections 144.010-144.525, sections 144.600-144.761 or section 238.235 for a specified maximum amount for each year for 15 years.

APPLICATION/APPROVAL PROCEDURE

Project taxpayer (applicant) submits the following:

- Notice of Intent (NOI)
- List of all employees at the facility
- E-Verify Memorandum of Understanding (MOU)
- Tax clearance for each "project taxpayer"
- Agreement recognizing the responsibilities of each taxpayer (if there are multiple taxpayers)
- Project Plan

County average wages (effective until 6/30/2022):

Average county wages are based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	\$35,659	GRUNDY	\$33,808	PERRY	\$39,716
ANDREW	\$37,419	HARRISON	\$31,738	PETTIS	\$38,034
ATCHISON	\$37,404	HENRY	\$37,825	PHELPS	\$39,873
AUDRAIN	\$39,430	HICKORY	\$28,232	PIKE	\$35,939
BARRY	\$40,423	HOLT	\$42,688	PLATTE	\$53,359
BARTON	\$36,845	HOWARD	\$34,425	POLK	\$35,164
BATES	\$34,213	HOWELL	\$36,070	PULASKI	\$31,920
BENTON	\$30,188	IRON	\$41,584	PUTNAM	\$31,766
BOLLINGER	\$32,271	JACKSON	\$54,746	RALLS	\$47,892
BOONE	\$48,247	JASPER	\$42,969	RANDOLPH	\$41,466
BUCHANAN	\$49,786	JEFFERSON	\$41,474	RAY	\$39,254
BUTLER	\$34,908	JOHNSON	\$36,218	REYNOLDS	\$39,682
CALDWELL	\$40,038	KNOX	\$35,732	RIPLEY	\$23,402
CALLAWAY	\$51,646	LACLEDE	\$37,650	SALINE	\$40,868
CAMDEN	\$37,771	LAFAYETTE	\$36,118	SCHUYLER	\$30,831
CAPE GIRARDEAU	\$45,171	LAWRENCE	\$38,354	SCOTLAND	\$30,058
CARROLL	\$40,175	LEWIS	\$36,982	SCOTT	\$41,118
CARTER	\$26,964	LINCOLN	\$43,461	SHANNON	\$27,455
CASS	\$39,763	LINN	\$37,869	SHELBY	\$36,725
CEDAR	\$29,634	LIVINGSTON	\$36,713	ST CHARLES	\$50,936
CHARITON	\$37,118	MACON	\$35,565	ST LOUIS CITY	\$54,746
CHRISTIAN	\$35,639	MADISON	\$32,121	ST LOUIS CO	\$54,746
CLARK	\$28,917	MARIES	\$35,243	ST. CLAIR	\$29,903
CLAY	\$52,999	MARION	\$41,515	ST. FRANCOIS	\$34,097
CLINTON	\$39,540	MCDONALD	\$37,575	STE. GENEVIEVE	\$47,471
COLE	\$45,498	MERCER	\$43,945	STODDARD	\$39,610
COOPER	\$36,639	MILLER	\$35,045	STONE	\$31,993
CRAWFORD	\$38,816	MISSISSIPPI	\$33,235	SULLIVAN	\$50,516
DADE	\$34,233	MONITEAU	\$41,443	TANEY	\$34,125
DALLAS	\$26,282	MONROE	\$33,185	TEXAS	\$31,776
DAVIESS	\$29,193	MONTGOMERY	\$39,137	VERNON	\$39,912
DEKALB	\$37,986	MORGAN	\$31,486	WARREN	\$42,127
DENT	\$31,446	NEW MADRID	\$38,947	WASHINGTON	\$29,678
DOUGLAS	\$28,665	NEWTON	\$45,439	WAYNE	\$27,509
DUNKLIN	\$28,226	NODAWAY	\$38,000	WEBSTER	\$36,222
FRANKLIN	\$44,812	OREGON	\$27,548	WORTH	\$26,236
GASCONADE	\$33,727	OSAGE	\$40,889	WRIGHT	\$33,285
GENTRY	\$38,945	OZARK	\$27,077	STATEWIDE	\$54,746
GREENE	\$47,337	PEMISCOT	\$31,814		

Statewide average of \$54,746 applicable to any county over the statewide average when determining program eligibility. (Jackson, St. Louis County and City)

The wage represents an average for all private industries.

If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.

DED reviews all documentation to determine the following:

- Eligibility for the program;
- Whether the facility is an existing or new facility.
- That the amount of the exemption does not exceed the projected "net fiscal benefit to the state calculated over a 10 year period" using the Regional Economic Modeling, Inc. dataset; and
- That the project plan indicates that the required investment and job numbers will be met.

Approval Procedure:

- DED provides either a conditional approval or denial within 30 days of receipt of NOI to project taxpayers (applicant) and to DOR.
- DED issues Data Center Program Agreement document to project taxpayers for execution (terms and conditions for repayment and penalties, compliance and reporting).
- Applicant performs work (retains all receipts). Applicant sends project paperwork to DED for certification including executed agreement, if not provided previously.
- DED reviews and sends to DOR review.
- DOR approves and DED certifies to applicant.
- DOR refunds sales/use tax and issues annual certificates,
- as applicable.
- Applicant provides annual reporting to DED.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

301 West High Street, Room 770 | P.O. Box 118

Jefferson City, MO | 65102

Phone: 573-751-4539 | Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov | Web: www.ded.mo.gov